

**OPINION**  
**49-178**

February 14, 1949            (OPINION)

TAXATION

RE: Hail Taxes

Your letter of February 11th, requesting an opinion as to whether or not delinquent hail taxes assessed prior to bankruptcy under the Frazier-Lemke Act, are extinguished by the bankruptcy proceedings, has been received and has come to my desk for reply.

During the bankruptcy proceeding an opportunity is given to all creditors to file their claims against the bankrupt. If the claims are valid and allowed, they would have to be paid during the course of bankruptcy proceedings. If the claim is not filed, and hence not paid, it would be in our opinion extinguished by the bankruptcy proceedings.

In any event, the final turnover order of the bankruptcy court has the effect of extinguishing all claims and all liens upon the property. Therefore, it is our opinion that the turnover order has the effect of extinguishing all unpaid hail taxes on the land involved. Therefore, it is our further opinion that the county auditor is authorized to cancel these taxes on his records. The claim, however, for payment against the person who was insured is not extinguished unless he is the bankrupt. Therefore, if any of the hail taxes mentioned in your letter were taxes against owners other than the bankrupt, it is possible, if the statute of limitations has not run against the claim, to collect the lien directly from them.

WALLACE E. WARNER

Attorney General